



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 28, 2006

### **S. 1773**

#### **Pueblo de San Ildefonso Claims Settlement Act of 2005**

*As ordered reported by the House Committee on Resources on July 26, 2006*

S. 1773 would ratify a settlement agreement entered into by the Departments of Justice, the Interior, and Agriculture with the Pueblo de San Ildefonso. Under the agreement, the tribe would receive about \$7 million from the federal government in exchange for extinguishing certain claims against the government. Funds from the settlement would be used by the tribe to acquire land, including about 7,600 acres of national forest land. The legislation also would allow the sales of about 425 acres of federal land to the county of Los Alamos, New Mexico, with an estimated value of about \$500,000 and about 740 acres to the Pueblo of Santa Clara for about \$350,000. All proceeds from the land sales would be available to the U.S. Forest Service to spend, without further appropriation, to purchase nonfederal lands within or adjacent to national forests in New Mexico.

CBO estimates that implementing S. 1773 would increase direct spending from the Judgment Fund of the U.S. Treasury by about \$7 million in fiscal year 2006. That payment could be offset by a reduction in possible future payments from the Judgment Fund to settle the tribe's claims, but CBO cannot estimate the likelihood, magnitude, or timing of such an offset. According to the Forest Service, the lands to be sold currently generate no significant receipts and are not expected to do so during the next 10 years. Hence, CBO estimates that selling the land would not significantly affect offsetting receipts (a credit against direct spending). As noted above, the Forest Service would spend roughly \$850,000 of such proceeds, so there would be no net budget impact from those sales.

The legislation also would allow the Forest Service to accept gifts of cash or services for surveys related to the land sales. CBO estimates that the total value of the gifts would not be significant. In addition, based on information from the Forest Service, we estimate that the administrative costs, of implementing this legislation including the required surveys, would be negligible.

S. 1773 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) because it would preempt state law and require that the settlement agreement be interpreted under federal law. CBO estimates, however, that this mandate

would impose no costs on any state, local, or tribal government, and so would not exceed the threshold established in UMRA (\$64 million in 2006, adjusted annually for inflation). Enacting this legislation would benefit the Pueblo de San Ildefonso because it is a necessary step towards implementing the settlement agreement between the Pueblo and the United States resolving the Pueblo's land claims. Any costs or duties that S. 1773 might impose on the Pueblo would be those it has assumed voluntarily as a party to the agreement. The legislation would impose no other significant costs on any state, local, or tribal government.

S. 1773 contains no new private-sector mandates as defined in UMRA.

On April 19, 2006, CBO transmitted a cost estimate for S. 1773, as ordered reported by the Senate Committee on Indian Affairs on March 30, 2006. The two versions of the legislation are identical, as are the estimated costs.

The CBO staff contacts for this estimate are Matthew Pickford (for federal costs), and Marjorie Miller (for the impact on state, local, and tribal governments). The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.